

CORRECTED FISCAL NOTE

SB 3682 - HB 3562

March 28, 2006

SUMMARY OF BILL: Requires the Department of Health to establish a pilot program with the local health department in Davidson County for the delivery of behavioral health services to residents regardless of ability to pay. The program will be in existence for five years.

ESTIMATED FISCAL IMPACT:

On March 6, 2006, we issued a fiscal note which indicated that there would be an *increase in state expenditures exceeding \$1,000,000 and an increase in local govt. expenditures exceeding \$100,000*. Based on additional information from the Comptroller's Office and the Department of Health, the estimated fiscal impact of this bill is:

(Corrected)

Increase State Expenditures – \$773,700 Annually for Five Years

Decrease Local Govt. Expenditures – Exceeds \$300,000

Other Fiscal Impact – The Nashville/Davidson Count Metro Public Health Department (MPHD) shall provide a local match that will be in-kind services through existing program structure. Such in-kind services are estimated by MPHD at \$369,000 annually for five years.

Assumptions:

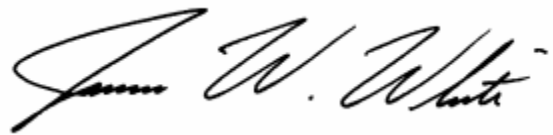
- The Department of Health would enter into a five year contractual arrangement with the local health department to provide psychiatric evaluations, emergency placements, prescription psychotropic medications, care coordination, referral services, short term follow-up care, and comprehensive community outreach provisions.
- Such arrangement is estimated to cost \$643,207 each year for five years. The cost includes the hiring of two psychiatric nurse practitioners (\$244,144), a clerical support position (\$47,043) and a volunteer services coordinator (\$80,645). A 45-60 day supply of pharmaceuticals for 500 patients is estimated at \$261,375. Miscellaneous supplies, travel and computers are estimated at \$10,000.

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- The Department of Health would need to hire additional staff to monitor the clinic's operation. Such cost is estimated at \$130,503 for a nurse practitioner (\$74,623), an administrative services assistant (\$34,380), supplies (\$4,600), travel (\$6,000), communications (\$2,800), and rent (\$8,100).
- There will be a decrease in local govt. expenditures of \$175 per psychiatric evaluations for mental health court patients being performed by the psychiatric nurse practitioners. Total savings are estimated at \$87,500 for 500 evaluations (\$175 X 500).
- The Volunteer Service Coordinator will recruit 300 slots from private providers for mentally ill patients that are free or on a sliding scale fee. It is estimated that there will be a decrease in expenditures of \$125 per visit for 300 patients to receive six visits. Total savings are estimated at \$225,000 (\$125 X 300 X 6).
- The Behavioral Health POE Referral System is estimated as in-kind services of \$369,000 annually for five years for the existing structure provided by the Metro Public Health Department and consists of screenings, assessments and referrals for residents seeking mental health or substance abuse services.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director